

HOOVER CHILDREN'S TRUST II

This TRUST AGREEMENT is made and entered into this 19th day of September, 1994, by and between LADY RUTH HOOVER (hereinafter referred to as the "Grantor") and BILLY BROWN HOOVER, as TRUSTEE (hereinafter referred to as the "Trustee").

W-I-T-N-E-S-S-E-T-H:

In consideration of the promises and covenants herein contained, it is agreed as follows:

1. Name of Trust. For purposes of identification, this trust shall be known as the "Hoover Children's Trust II".
2. Situs of Trust. The situs of this trust shall be Carrollton, Texas.
3. Purpose of Trust. The Grantor creates this trust as a means by which certain assets, which may include one (1) or more policies of insurance on the Grantor's life, may be held for the benefit of the Grantor's family for the uses and purposes and subject to the terms and conditions of this Trust Agreement. It is the Grantor's intent in creating this trust that all gifts made to this trust shall be both complete and gifts of present interests for federal gift tax purposes, and that the assets of this trust, including any life insurance proceeds, shall be excluded from the Grantor's gross estate for federal estate tax purposes. All provisions of this trust shall be construed in such a manner as to best effect these intentions.

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W.E. DAVIS CH. CLK.

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Prepared by and return to:
N. MS Title & Escrow, LLC
Hugh H. Armistead, Attorney
P. O. Box 609
Olive Branch, MS 38654
(601) 895-4844

4. Principal of the Trust. The Grantor does hereby assign, convey and transfer to the Trustee the property described in Schedule A, which is attached hereto and incorporated herein by reference, to be held IN TRUST by the Trustee for the uses and purposes and subject to the terms and conditions of this Trust Agreement.

5. Additions to Trust.

A. The Grantor or any other person may increase the trust principal by delivering property to the Trustee, or by having the proceeds of insurance policies or other death benefits made payable to the Trustee, or by bequest or devise by Will. Such additions to the trust estate shall be identified on a schedule or schedules annexed hereto and shall be held, administered and disposed of by the Trustee in accordance with the provisions of this Trust Agreement without the execution of any further instrument or declaration. The Trustee may refuse to accept any gift to the trust if the Trustee determines that such refusal is in the best interests of the trust and its beneficiaries.

B. Premiums paid by someone other than the Trustee on life insurance policies owned by the trust shall be treated as annual additions to the trust, and to the extent thereof, the cash value of the life insurance policies shall be subject to withdrawal pursuant to Section 6. Prior to the end of the calendar year in which this trust is established, each initial eligible donee may at any time elect to have any life insurance policies initially transferred hereunder reissued so that policies of equal value and

face amount may be owned by and payable to the donees who may then exercise all incidents of ownership in the policies.

6. Power of Withdrawal.

A. Any assets received in trust as a lifetime gift shall be divided by the Trustee into the same number of equal shares as there are eligible donees, as defined in Section 7, on the date the gift is received in trust. Each eligible donee who delivers a written demand to the Trustee within the prescribed time period shall be entitled to receive from the trust an amount of cash or property equal to the donee's separate share. The determination of the amount shall be made in the same manner as such amount is determined for purposes of the donor's federal gift tax.

B. The power of withdrawal created under this section is generally noncumulative and lapses on the earlier of (a) the last day of the calendar year in which the contribution is made or (b) thirty (30) days following the date of the transfer to which such power relates. However, if any eligible donee holding such a power of withdrawal fails to exercise it within this time period, then it shall continue in existence to the extent that the amount subject to such exercise will exceed the greater of \$5,000.00 or five percent (5%) of the aggregate value of the assets out of which such power of withdrawal could be satisfied. For this purpose, the amount subject to the exercise of power of withdrawal shall lapse only to the extent that the amount subject to such power of withdrawal, together with all other amounts subject to power of withdrawal granted to the same donee, does not exceed the greater

of \$5,000.00 or five percent (5%) of the aggregate value of the assets out of which such power of withdrawal could be satisfied. Any reference to \$5,000.00 or five percent (5%) of the aggregate value of the assets out of which a demand power can be satisfied shall be determined annually and shall be noncumulative.

C. The Trustee shall notify in writing each eligible donee upon receipt of any property over which the donee may exercise a power of withdrawal.

D. If any eligible donee is unable to exercise the donee's power of withdrawal because of a legal disability, including minority, the donee's legally authorized personal representative, including, but not limited to, a guardian, committee or conservator, may make the demand on behalf of the donee to receive from the trust the assets of the donee's separate share. If there is no legally authorized personal representative, the Trustee shall designate an appropriate adult individual (who may be the Trustee, a child's parent or any other person) who may make the demand on behalf of the donee. However, the Grantor is specifically prohibited from making any demand on behalf of a donee.

E. Any eligible donee who has a power of withdrawal shall immediately forfeit such power upon making an assignment for the benefit of the donee's creditors, filing a voluntary petition in bankruptcy, being adjudicated bankrupt or insolvent, or consenting to or acquiescing in the appointment of a trustee or receiver of all or any substantial part of the donee's assets.

7. Eligible Donees. With respect to any gift addition received by the Trustee, the "eligible donees" shall consist of each then living descendant of the Grantor and their spouse. However, any donor may hereafter designate in writing with respect to a particular trust addition that certain of the eligible donees shall not have a right of withdrawal under Section 6 or that the right of withdrawal under Section 6 shall be limited to a specific dollar amount, in which case no separate share shall be set aside for those persons so designated or the separate share shall be limited to a specific dollar amount. The initial eligible donees are the Grantor's children, CHRISTOPHER NORRIS HOOVER, BILLYE RUTH HOOVER COOK and MARK DABNEY HOOVER, and the Grantor's grandchildren, JACKSON CHRISTOPHER HOOVER, ANDREA CLAY COOK, BENJAMIN BROWN HOOVER and ASHLEY NICOLE HOOVER.

8. Distribution of Income and Principal. After the payment of all reasonable and necessary expenses incurred in the management of the trust, the Trustee shall distribute at least annually the net income of the trust to or for the benefit of the Grantor's children, share and share alike, per stirpes.

The Trustee is authorized to distribute to or apply for the benefit of any or all of the Grantor's descendants, without being required to observe any precept or rule of equality, so much of the principal of this trust as in the Trustee's absolute discretion may be necessary or advisable for the health, education, maintenance and support of the Grantor's descendants.

Such distributions of principal made by the Trustee to or for the benefit of a descendant shall not be charged against the share to be distributed upon termination of this trust. In no event shall income or principal of the trust be used either to discharge any person's legal obligation to support the beneficiary or for the pecuniary benefit of any person other than the beneficiary.

9. Termination of Trust. This trust shall terminate sixty (60) days after the death of the Grantor and Billy Brown Hoover, at which time the remaining assets of this trust shall be divided into three (3) equal shares to be distributed as follows:

A. One share shall be distributed to the trustee of the Christopher Norris Hoover Trust, to be held IN TRUST for the uses and purposes and subject to the terms and conditions as provided in Section 10.

B. One share shall be distributed to the trustee of the Billye Ruth Hoover Cook Trust, to be held IN TRUST for the uses and purposes and subject to the terms and conditions as provided in Section 11.

C. One share shall be distributed to the trustee of the Mark Dabney Hoover Trust, to be held IN TRUST for the uses and purposes and subject to the terms and conditions as provided in Section 12.

10. Christopher Norris Hoover Trust. The terms and conditions of the Christopher Norris Hoover Trust are as follows:

A. Distribution of Income and Principal. After the payment of all reasonable and necessary expenses incurred in

the management of the trust, the trustee shall distribute at least annually the net income of the trust to or for the benefit of the Grantor's child, Christopher Norris Hoover, for the remainder of the child's life.

The trustee is authorized to distribute to or for the benefit of the Grantor's child so much of the principal of the trust as in the trustee's absolute discretion may be necessary or advisable for the health, education, maintenance and support of the child.

The Grantor's child is authorized to withdraw from the principal of this trust such additional amounts as the child may request, provided that such distributions from the principal of this trust shall not exceed in any calendar year the greater of \$5,000.00 or five percent (5%) of the value of the principal of this trust at the beginning of the calendar year. This right of withdrawal by the Grantor's child shall not be cumulative from year to year.

The trustee is authorized to distribute to or apply for the benefit of any or all of the Grantor's child's issue, without being required to observe any precept or rule of equality, so much of the principal of this trust as in the trustee's absolute discretion may be necessary or advisable for the health, education, maintenance and support of the Grantor's child's issue. Such distributions of principal made by the trustee to or for the benefit of the Grantor's child's

issue shall not be charged against the share to be distributed upon the termination of this trust.

All principal payments authorized pursuant to this Section are discretionary and no claim or right to payment by the beneficiary or third parties may be enforced against the trust by virtue of such discretionary authority granted to the trustee or to the beneficiary.

B. Termination of Trust. This trust shall terminate sixty (60) days after the latter of (1) the Grantor's child's death or (2) the funding of the Christopher Norris Hoover Trust if the Grantor's child dies prior to the funding of the Christopher Norris Hoover Trust, at which time the remaining assets of this trust shall be distributed as follows:

(1) If the trustee has not divided the trust into Trust A and Trust B, then the remaining assets shall be distributed to or in trust for the benefit of such of the Grantor's child's issue on such terms and conditions as the Grantor's child may appoint by specific reference to this trust in the child's Last Will and Testament.

(2) If the trustee has divided the trust into Trust A and Trust B, then the remaining assets of Trust A shall be distributed to or in trust for the benefit of such of the Grantor's child's issue on such terms and conditions as the Grantor's child may appoint by specific reference to this trust in the child's Last Will and Testament.

(3) If the trustee has divided the trust into Trust A and Trust B, then the remaining assets of Trust B shall be distributed to or in trust for the benefit of such one or more persons or organizations, including the Grantor's child's estate, on such terms and conditions as the Grantor's child may appoint by specific reference to this trust in the child's Last Will and Testament. Any increase in death taxes or administration expenses in the Grantor's child's estate caused by the inclusion of this trust in it for estate tax purposes shall be paid out of the assets of this trust, unless the Grantor's child by a specific reference to this trust in the child's Last Will and Testament provides for payment of such taxes and expenses from other sources. A written statement by the Grantor's child's executor or administrator of the amounts thus payable may be accepted by the trustee as being correct.

In partial or complete default of an effective exercise of the above-referenced powers of appointment, then the remaining assets of this trust shall be distributed to the Grantor's child's children, share and share alike, per stirpes, or if the child has no surviving issue, the assets shall be distributed one-half ($\frac{1}{2}$) to the trustee of the Billye Ruth Hoover Cook Trust and one-half ($\frac{1}{2}$) to the trustee of the Mark Dabney Hoover Trust, to be held IN TRUST for the uses and

purposes and subject to the terms and conditions as provided in Sections 11 and 12, respectively.

C. Trustee. The Grantor's child, CHRISTOPHER NORRIS HOOVER, shall serve as the trustee of this trust. The trustee shall have authority to appoint a successor trustee at any time and from time to time. Upon the failure of a trustee to serve and the failure of a trustee to appoint a successor trustee, then those of the Grantor's children who are able and willing to serve as trustee shall serve as trustee. The trustee shall have the same authority as the Trustee of the Hoover Children's Trust II.

D. Miscellaneous Provisions. Sections 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24 and 25 of the Hoover Children's Trust II shall apply to this trust.

11. Billye Ruth Hoover Cook Trust. The terms and conditions of the Billye Ruth Hoover Cook Trust are as follows:

A. Distribution of Income and Principal. After the payment of all reasonable and necessary expenses incurred in the management of the trust, the trustee shall distribute at least annually the net income of the trust to or for the benefit of the Grantor's child, Billye Ruth Hoover Cook, for the remainder of the child's life.

The trustee is authorized to distribute to or for the benefit of the Grantor's child so much of the principal of the trust as in the trustee's absolute discretion may be necessary

or advisable for the health, education, maintenance and support of the child.

The Grantor's child is authorized to withdraw from the principal of this trust such additional amounts as the child may request, provided that such distributions from the principal of this trust shall not exceed in any calendar year the greater of \$5,000.00 or five percent (5%) of the value of the principal of this trust at the beginning of the calendar year. This right of withdrawal by the Grantor's child shall not be cumulative from year to year.

The trustee is authorized to distribute to or apply for the benefit of any or all of the Grantor's child's issue, without being required to observe any precept or rule of equality, so much of the principal of this trust as in the trustee's absolute discretion may be necessary or advisable for the health, education, maintenance and support of the Grantor's child's issue. Such distributions of principal made by the trustee to or for the benefit of the Grantor's child's issue shall not be charged against the share to be distributed upon the termination of this trust.

All principal payments authorized pursuant to this Section are discretionary and no claim or right to payment by the beneficiary or third parties may be enforced against the trust by virtue of such discretionary authority granted to the trustee or to the beneficiary.

B. Termination of Trust. This trust shall terminate sixty (60) days after the latter of (1) the Grantor's child's death or (2) the funding of the Billye Ruth Hoover Cook Trust if the Grantor's child dies prior to the funding of the Billye Ruth Hoover Cook Trust, at which time the remaining assets of this trust shall be distributed as follows:

(1) If the trustee has not divided the trust into Trust A and Trust B, then the remaining assets shall be distributed to or in trust for the benefit of such of the Grantor's child's issue on such terms and conditions as the Grantor's child may appoint by specific reference to this trust in the child's Last Will and Testament.

(2) If the trustee has divided the trust into Trust A and Trust B, then the remaining assets of Trust A shall be distributed to or in trust for the benefit of such of the Grantor's child's issue on such terms and conditions as the Grantor's child may appoint by specific reference to this trust in the child's Last Will and Testament.

(3) If the trustee has divided the trust into Trust A and Trust B, then the remaining assets of Trust B shall be distributed to or in trust for the benefit of such one or more persons or organizations, including the Grantor's child's estate, on such terms and conditions as the Grantor's child may appoint by specific reference to this trust in the child's Last Will and Testament. Any increase in death taxes or administration expenses in the

Grantor's child's estate caused by the inclusion of this trust in it for estate tax purposes shall be paid out of the assets of this trust, unless the Grantor's child by a specific reference to this trust in the child's Last Will and Testament provides for payment of such taxes and expenses from other sources. A written statement by the Grantor's child's executor or administrator of the amounts thus payable may be accepted by the trustee as being correct.

In partial or complete default of an effective exercise of the above-referenced powers of appointment, then the remaining assets of this trust shall be distributed to the Grantor's child's children, share and share alike, per stirpes, or if the child has no surviving issue, the assets shall be distributed one-half ($\frac{1}{2}$) to the trustee of the Christopher Norris Hoover Trust and one-half ($\frac{1}{2}$) to the trustee of the Mark Dabney Hoover Trust, to be held IN TRUST for the uses and purposes and subject to the terms and conditions as provided in Sections 10 and 12, respectively.

C. Trustee. The Grantor's child, BILLYE RUTH HOOVER COOK, shall serve as the trustee of this trust. The trustee shall have authority to appoint a successor trustee at any time and from time to time. Upon the failure of a trustee to serve and the failure of a trustee to appoint a successor trustee, then those of the Grantor's children who are able and willing to serve as trustee shall serve as trustee. The

trustee shall have the same authority as the Trustee of the Hoover Children's Trust II.

D. Miscellaneous Provisions. Sections 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24 and 25 of the Hoover Children's Trust II shall apply to this trust.

12. Mark Dabney Hoover Trust. The terms and conditions of the Mark Dabney Hoover Trust are as follows:

A. Distribution of Income and Principal. After the payment of all reasonable and necessary expenses incurred in the management of the trust, the trustee shall distribute at least annually the net income of the trust to or for the benefit of the Grantor's child, Mark Dabney Hoover, for the remainder of the child's life.

The trustee is authorized to distribute to or for the benefit of the Grantor's child so much of the principal of the trust as in the trustee's absolute discretion may be necessary or advisable for the health, education, maintenance and support of the child.

The Grantor's child is authorized to withdraw from the principal of this trust such additional amounts as the child may request, provided that such distributions from the principal of this trust shall not exceed in any calendar year the greater of \$5,000.00 or five percent (5%) of the value of the principal of this trust at the beginning of the calendar year. This right of withdrawal by the Grantor's child shall not be cumulative from year to year.

The trustee is authorized to distribute to or apply for the benefit of any or all of the Grantor's child's issue, without being required to observe any precept or rule of equality, so much of the principal of this trust as in the trustee's absolute discretion may be necessary or advisable for the health, education, maintenance and support of the Grantor's child's issue. Such distributions of principal made by the trustee to or for the benefit of the Grantor's child's issue shall not be charged against the share to be distributed upon the termination of this trust.

All principal payments authorized pursuant to this Section are discretionary and no claim or right to payment by the beneficiary or third parties may be enforced against the trust by virtue of such discretionary authority granted to the trustee or to the beneficiary.

B. Termination of Trust. This trust shall terminate sixty (60) days after the latter of (1) the Grantor's child's death or (2) the funding of the Mark Dabney Hoover Trust if the Grantor's child dies prior to the funding of the Mark Dabney Hoover Trust, at which time the remaining assets of this trust shall be distributed as follows:

(1) If the trustee has not divided the trust into Trust A and Trust B, then the remaining assets shall be distributed to or in trust for the benefit of such of the Grantor's child's issue on such terms and conditions as

the Grantor's child may appoint by specific reference to this trust in the child's Last Will and Testament.

(2) If the trustee has divided the trust into Trust A and Trust B, then the remaining assets of Trust A shall be distributed to or in trust for the benefit of such of the Grantor's child's issue on such terms and conditions as the Grantor's child may appoint by specific reference to this trust in the child's Last Will and Testament.

(3) If the trustee has divided the trust into Trust A and Trust B, then the remaining assets of Trust B shall be distributed to or in trust for the benefit of such one or more persons or organizations, including the Grantor's child's estate, on such terms and conditions as the Grantor's child may appoint by specific reference to this trust in the child's Last Will and Testament. Any increase in death taxes or administration expenses in the Grantor's child's estate caused by the inclusion of this trust in it for estate tax purposes shall be paid out of the assets of this trust, unless the Grantor's child by a specific reference to this trust in the child's Last Will and Testament provides for payment of such taxes and expenses from other sources. A written statement by the Grantor's child's executor or administrator of the amounts thus payable may be accepted by the trustee as being correct.

In partial or complete default of an effective exercise of the above-referenced powers of appointment, then the remaining assets of this trust shall be distributed to the Grantor's child's children, share and share alike, per stirpes, or if the child has no surviving issue, the assets shall be distributed one-half ($\frac{1}{2}$) to the trustee of the Christopher Norris Hoover Trust and one-half ($\frac{1}{2}$) to the trustee of the Billye Ruth Hoover Cook Trust, to be held IN TRUST for the uses and purposes and subject to the terms and conditions as provided in Sections 10 and 11, respectively.

C. Trustee. The Grantor's child, MARK DABNEY HOOVER, shall serve as the trustee of this trust. The trustee shall have authority to appoint a successor trustee at any time and from time to time. Upon the failure of a trustee to serve and the failure of a trustee to appoint a successor trustee, then those of the Grantor's children who are able and willing to serve as trustee shall serve as trustee. The trustee shall have the same authority as the Trustee of the Hoover Children's Trust II.

D. Miscellaneous Provisions. Sections 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24 and 25 of the Hoover Children's Trust II shall apply to this trust.

13. Age Requirement or Disability. If any person has not attained the age of thirty (30) years, or if any person who is, in the Trustee's opinion, disabled because of advanced age, illness or other cause when he or she becomes entitled to any distribution

pursuant to any trust created by this Trust Agreement, then his or her separate share shall be held IN TRUST for the uses and purposes and subject to the terms and conditions hereinafter set forth:

A. Distribution of Income and Principal. After the payment of all reasonable and necessary expenses incurred in the management of the trust, the Trustee is authorized to distribute to or apply for the benefit of such beneficiary, so much of the net income and principal of his or her separate share of the trust as in the Trustee's absolute discretion deems appropriate. The exercise of this power by the Trustee is within the Trustee's sole discretion and the Trustee may accumulate the annual net income of each beneficiary's separate share of the trust to be added to such beneficiary's principal to whatever extent and in whatever amounts that the Trustee deems appropriate.

Prior to the termination of this trust, it is the Grantor's desire but not the Grantor's direction, that the income and principal of each separate share of this trust so distributed or applied as provided above, be distributed to or applied primarily for the health, education, maintenance and support of each beneficiary. To this end, it is the Grantor's desire that each beneficiary be provided a standard of living which is similar to the standard of living that is being enjoyed by their peers.

For the guidance of the Trustee, the Grantor directs that all beneficiaries need not be treated the same; that one or

more of the beneficiaries may be wholly excluded from any or all periodic distributions; and that the pattern followed in one distribution need not be followed in others.

B. Termination of Trust. When such beneficiary has attained thirty (30) years of age, or upon his or her death prior to attaining the age of thirty (30) years, or if a disabled person when he or she, in my trustee's opinion, becomes free of such disability, this trust shall terminate as to his or her separate share, and the remaining principal and accumulated income of his or her separate share shall be distributed to such beneficiary, if living, otherwise to his or her issue, per stirpes, or if no issue, to his brothers and sisters, per stirpes.

14. Default Provisions. Should the scheduled distribution on termination of this trust or any trust created pursuant to this Trust Agreement fail for any reason, then the remaining assets of the trust shall be distributed equally to be used as a permanent endowment for each of the following:

1. Cistercian Preparatory School of Irving, Texas.
2. Irving Community Hospital of Irving, Texas.
3. University of Mississippi, Oxford Campus.

15. Rule Against Perpetuities. Notwithstanding anything contained in this Trust Agreement to the contrary, each trust created pursuant to this Trust Agreement shall terminate at the expiration of the maximum period allowed by law for the duration of a trust, in which case each beneficiary for whom any property is

primarily held hereunder in trust shall receive the beneficiary's respective property outright free of trust.

16. Spendthrift Provisions. The interest, or any part thereof, of any beneficiary in the income or principal of any trust created pursuant to this Trust Agreement shall not be subject to sale, alienation, assignment, hypothecation, pledge or transfer by such beneficiary prior to the distribution of such income or principal to such beneficiary. The interest, or any part thereof, of any beneficiary in the income or principal of any trust created pursuant to this Trust Agreement shall not be subject to such beneficiary's debts, liabilities or creditor claims, or be subject to attachment or to any judgment rendered against such beneficiary or to the process of any court in aid or execution of any judgment so rendered. This Section shall not be construed as restricting in any way the exercise of any power of appointment or power of withdrawal granted pursuant to this Trust Agreement.

17. Trustee's Powers.

A. The Trustee of this trust or any trust created pursuant to this Trust Agreement is charged with the custody, management and protection of all assets of the trust and is empowered to do the following:

(1) To hold and retain all or any part of the trust funds in any type of real or personal property, regardless of diversification or state laws concerning legal investments by trustees.

(2) To keep all or any part of the trust funds at any place within the United States of America or outside the United States of America.

(3) To invest and reinvest the trust funds (or to leave the trust funds temporarily uninvested), in any type of property and every kind of investment, including, but not limited to, corporate obligations of every kind, preferred or common stocks, securities of any regulated investment trust, mutual funds and partnership interests.

(4) The trustee is authorized in the trustee's sole discretion to invest and reinvest the trust funds without regard to the production of current income.

(5) To participate in the operation of any business or other enterprise, and to incorporate, dissolve or otherwise change the form of such business.

(6) To deposit trust funds in any commercial savings or savings and loan accounts.

(7) To borrow money for any reasonable trust purpose and upon such terms, including, but not limited to, interest rates, security and loan duration, as the trustee deems advisable.

(8) To lend trust funds to such persons and on such terms, including, but not limited to, interest rates, security and loan duration, as the trustee deems advisable, subject to the provisions contained in Section 17(F).

(9) To sell or otherwise dispose of trust assets, including, but not limited to, real property, for cash or on credit, at public or private sale, and with such warranties or indemnifications as the trustee deems advisable.

(10) To buy assets of any type from any person on such terms, including, but not limited to, cash or on credit, interest rates and security, as the trustee deems advisable.

(11) To improve, develop, manage, lease or abandon any trust assets, as the trustee deems advisable.

(12) To hold property in the name of any trustee or any custodian or nominee, without disclosing the fiduciary relationship.

(13) To pay and advance money for the trust's protection and for all expenses, losses and liabilities sustained in its administration.

(14) To prosecute or defend any action for the protection of the trust, the trustee in the performance of the trustee's duties, or both, and to pay, contest or settle any claim by or against the trust or the trustee in the performance of the trustee's duties.

(15) To employ persons, even if such persons are associated with the trustee, to advise or assist the trustee in the performance of the trustee's duties. Reasonable compensation for all services performed by such persons shall be paid from the trust funds out of either income or principal, as the trustee in the trustee's discretion shall

determine. Such compensation shall not decrease the compensation to which the trustee is entitled.

(16) To determine what is principal or income and what items shall be charged or credited to either. However, if any part of the principal of the trust consists of real property from which merchantable timber may be removed, the proceeds from the sale of such timber shall be allocated as principal and not as income.

(17) To partition, allocate and distribute the trust estate, on any division or partial or final distribution of the trust estate, in undivided interest or in kind, or partly in money and partly in kind, at valuations as determined by the trustee, and to sell such property as the trustee may deem necessary to make the division or distribution. In making any division or partial or final distribution of the trust estate, the trustee shall be under no obligation to make a pro rata division, or distribute the same assets to a beneficiary similarly situated. The trustee may, in the trustee's sole discretion, make a non pro rata division between trusts or shares and non pro rata distributions to such of the beneficiaries, so long as the respective assets allocated to separate trusts or shares, or distributed to such beneficiaries, have equivalent or proportionate fair market value as determined by the trustee.

(18) To withhold from distribution, in the trustee's sole discretion, at the time for distribution of any property in

this trust, without the payment of interest, all or any part of the property, so long as the trustee shall determine in the trustee's discretion that such property may be subject to conflicting claims, to tax deficiencies or to liabilities, contingent or otherwise, properly incurred in the administration of the trust estate.

(19) To execute and deliver any instruments necessary or useful in the exercise of any of these powers.

In addition to the foregoing powers, the Trustee is hereby given all of the powers applicable to a trustee which are set forth in Texas Trust Code §111.001 et seq., as amended from time to time, which section is incorporated herein by reference.

The Trustee shall not be liable to any beneficiary for having made any investment, unless the investment was made in bad faith.

B. During the administration of the Grantor's estate under applicable state law, the Trustee may use the trust funds, in the Trustee's discretion, to lend money to and buy assets from the Grantor's estate, on such terms and conditions as the Trustee deems to be in the best interests of the trust's beneficiaries. The Trustee shall not make grants to the Grantor's estate or otherwise distribute funds except through bona fide loans or purchases. If no personal representative has been appointed with respect to the Grantor's estate under applicable state law, the "administration" of the Grantor's estate shall include the settlement of debts, claims and taxes in respect of the Grantor's estate by the trustee

of any revocable trust or by any other person in actual possession of assets in which the Grantor had a legal or equitable interest.

C. With respect to any life insurance policies held as part of the trust funds, the following special rules shall apply:

(1) The Trustee shall have the right to exercise all incidents of ownership in any life insurance policies owned by the trust, including, but not limited to, the right to borrow on the policies, to surrender the policies for their cash surrender value, to assign the policies, to pledge the policies as collateral for a loan and to designate the beneficiary and mode of settlement of the policies.

(2) The Trustee may, in the Trustee's discretion, pay any premiums or other charges from the trust's principal. If the trust funds are inadequate to pay such premiums or charges, the Trustee may, in the Trustee's discretion, do one or more of the following: (a) use any automatic premium loan feature; (b) borrow against any policy's cash reserves (whether or not on the policy for which premium or charges will be paid); or (c) elect any automatic nonforfeiture feature. The Trustee has no duty to do any of these.

(3) Any additional insurance policies, no matter how acquired (including, but not limited to acquisition by gift, conversion, reissue or consolidation), should be listed on an attached schedule or schedules to this trust. However, the failure to do so does not affect the trust's ownership of the policy.

(4) The Trustee may, in the Trustee's discretion, refuse to enter into or maintain any litigation, endorse policy payments or take other action respecting any insurance policies, until the Trustee has been indemnified against all expenses and liabilities that, in the Trustee's judgment, may be involved in such action.

(5) The Trustee need not inquire whether or not the Trustee or the trust has been designated the beneficiary of any insurance policy or other death benefit. The Trustee need not act with respect to such policies until receipt of written notice that the Trustee or the trust is a beneficiary.

D. In making any payment to a minor or disabled beneficiary, the Trustee may expend such payments for the benefit of the beneficiary or make such payments directly to the beneficiary, or to the beneficiary's parent, guardian, personal representative or to the person with whom the beneficiary resides, without having to look to the proper application of those payments. This section does not limit the Trustee's powers and must be construed to enable the Trustee to give each beneficiary the fullest possible benefit and enjoyment of all of the trust income and principal to which the beneficiary is entitled.

E. The Trustee is authorized to merge this trust with any other inter vivos or testamentary trust created by the Grantor, if the terms of such trusts are then substantially similar and held for the primary benefit of the same beneficiaries. The Trustee is authorized in the Trustee's discretion to commingle the trust

principal of any separate trust shares established hereunder, allotting to each separate trust share an undivided interest in the commingled property, which undivided interest shall always be equal to the trust's proportionate contribution to the commingled property, as adjusted from time to time as a result of accumulations of income, payments of principal and additions to principal. The Trustee is authorized to make distributions of trust property in cash or in kind and to cause any trust share distributed hereunder to be composed of cash or property different in kind from any other trust share. The valuation of the Trustee is to be conclusive.

F. Notwithstanding anything contained in the Trust Agreement to the contrary, no power granted pursuant to this Trust Agreement or accorded to trustees generally, or pursuant to law, shall be construed to enable any person to purchase, exchange or otherwise deal with or dispose of the income or principal of the trust for less than an adequate and full consideration of money or money's worth, or to enable any person to borrow the corpus or income of the trust, directly or indirectly, without adequate security and an adequate rate of interest.

G. Internal Revenue Code §2642 (1994), as amended from time to time, contains rules for determining the inclusion ratio with respect to any property transferred by a generation-skipping transfer. The trustee of any trust created pursuant to this Trust Agreement may divide any trust created hereunder into two (2) or

more separate trusts, with each such trust to contain a fractional share of the assets of the trust before such division.

The trustee of any trust created by this trust shall hold what otherwise would be one trust as two or more trusts to reflect disclaimers or different tax elections, with such division relating back to the date to which the disclaimer or tax election relates. In particular:

(1) The trustee shall divide the principal of any trust that is subject to generation-skipping transfer tax into two (2) separate trusts with Trust A to be funded with the portion that is exempt from generation-skipping transfer tax and with Trust B to be funded with the portion that is subject to generation-skipping transfer tax.

(2) Each share or separate trust shall be held as a separate trust. The dispositive, administrative and other provisions of each such separate trust shall, except as otherwise expressly provided herein, be identical to the provisions of the trust from which it is derived.

18. The Trustee.

A. The Grantor hereby appoints BILLY BROWN HOOVER as the Trustee of this trust and any trust created pursuant to Section 13. Should the Trustee become unable or unwilling to serve as Trustee, and should the Trustee fail to designate a successor trustee, then such of the Grantor's children who are able and willing to serve shall serve as successor trustees.

A person shall be unable to serve as a trustee when that person has a physical or mental disability as evidenced by a certification of a licensed physician that is delivered to the successor trustee that the person so designated is unable to exercise the rights and powers granted to that person under this Trust Agreement because of such physical or mental disability.

If the Grantor's children shall serve as successor Trustee, then CHRISTOPHER NORRIS HOOVER shall serve as the cotrustee who is responsible for managing the day to day affairs of the trust (hereinafter referred to as the "Managing Cotrustee"). The Managing Cotrustee is authorized to distribute up to \$1,000.00 per expenditure for the payment of any expense incurred by the trust. Any distribution in excess of \$1,000.00 per expenditure must be approved in writing by all of the Grantor's children who are serving as successor Trustee. The Managing Cotrustee shall be entitled to receive as compensation for his services a fee of fifty-seven one-hundredths of one percent (.57%) of the fair market value of the assets in the trust as of December 31 of each year.

B. A trustee shall have the authority at any time to designate by a written instrument any individual or institution as a cotrustee or successor trustee. Any cotrustee or successor trustee may, without liability, accept without examination or review the accounts surrendered and the property delivered by any predecessor trustee. No successor trustee shall be obligated to examine the accounts and actions of any previous trustee, nor shall any successor trustee be responsible in any way for any acts or

omissions of any prior trustee. Each successor trustee has the same title, powers and duties as the trustee succeeded, without any additional conveyance.

A cotrustee so named shall serve only as long as the trustee who appointed such cotrustee (or, if such cotrustee was named by more than one (1) trustee acting together, by the last to serve of such trustees), and such cotrustee shall not become a successor trustee upon the death, resignation or disability of the trustee who appointed such cotrustee, unless such cotrustee has been appointed as successor trustee. Any reference to "Trustee" in the Trust Agreement refers equally to any successor trustee.

C. The Grantor shall not serve as a successor trustee of this trust. The income beneficiaries of any trust created pursuant to this Trust Agreement shall have authority at any time to remove a successor trustee and appoint an independent trustee to serve as a successor trustee.

For purposes of this subsection, the term "independent trustee" shall mean an individual or entity who has no beneficial interest in the trust, who is a bank or trust company, a professional trustee, investment advisor or manager, investment banker, accountant or attorney and who is not a "related or subordinate party" as defined in IRC §672(c) (1994), as amended from time to time.

D. Any trustee may, from time to time, delegate to any other trustee by written instrument any or all of such trustee's powers (except those, if any, not exercisable by such other trustee).

Such delegation may be temporary or permanent, and if temporary, may be for any duration of time or until any event specified by the delegating trustee. Any person dealing in good faith with any trustee may rely without inquiry upon the trustee's certificate with respect to any delegation.

E. The Trustee shall not be required to give bond and shall not be required to render any accounting to, or be subject to the supervision of, any court or public official. The Trustee must maintain accurate records concerning the trust. The Trustee shall render an accounting of income and principal to each current income beneficiary of the trust when requested to do so by the beneficiary. The Trustee shall not be personally liable for any losses incurred by the trust for any reason other than gross negligence or fraud.

F. Any trustee may resign by giving written notice specifying the resignation's effective date to the designated successor trustee, if there is one, or otherwise to each adult beneficiary of the trust's current income, to a custodial parent of each minor beneficiary of the trust's current income, and to the legal guardian of any beneficiary of the trust's current income having a legal guardian, each determined at the time such notice is given.

G. No Trustee shall be required to obtain the order of any court to exercise any power or discretion under this Trust Agreement.

H. Each individual trustee is entitled to reasonable compensation for services in administering this trust and to reimbursement for expenses. A corporate trustee is entitled to compensation based on its published fee schedule in effect at the time services are rendered.

19. Persons Dealing With Trustee. No person dealing with a Trustee shall be obligated to see to the application of any money or other property paid or delivered to the Trustee, or to inquire into the authority or power of the Trustee, or into the expedience or propriety of any transaction consummated by the Trustee.

20. Gender. As used throughout this Trust Agreement, all pronouns and any variations thereof shall be deemed to refer to the masculine, feminine or neuter, singular or plural, as the identity of the parties and context may require. The terms "child", "children", "descendant" and "issue" shall include legally adopted persons.

21. Noncontestability Clause. In the event that any beneficiary of any trust created pursuant to this Trust Agreement shall either, directly or indirectly, contest the validity of this Trust Agreement or any of the provisions of this Trust Agreement in any court proceeding, or shall seek to obtain an adjudication in any proceeding in any court that any trust created pursuant to this Trust Agreement or any of the provisions of this Trust Agreement is void, or to otherwise void, nullify or set aside any trust or any of its provisions, then the right of that person to take any interest given to that person pursuant to this Trust Agreement

shall be determined as if that person had died prior to the execution of this Trust Agreement. The Trustee is hereby authorized to defend, at the expense of the trust estate, any contest or other attack of any nature on this Trust Agreement or any of its provisions.

22. Partial Invalidation. If any portion of this Trust Agreement is held invalid, illegal or unenforceable by a court of competent jurisdiction, such determination shall not impair the enforceability of the remaining terms and provisions contained herein. In such event, this Trust Agreement shall be construed and interpreted as if such invalid, illegal or unenforceable terms were limited to the extent whereby such terms would be valid, legal and enforceable. If such limitation is not possible, this Trust Agreement shall be construed and interpreted as if such invalid, illegal or unenforceable terms were severed and not included herein.

23. Copies. Anyone may rely on a copy of this Trust Agreement or an excerpt therefrom as certified by a notary public or similar official to be a true copy of this Trust Agreement or an excerpt therefrom to the same extent as if it were the original document. Anyone may rely on any statement of fact certified by anyone who appears from this Trust Agreement or a certified copy or excerpt thereof to be a Trustee hereunder.

24. Irrevocable Trust. The Grantor shall have no right or power, whether alone or in conjunction with others, in whatever

capacity, to alter, amend, modify, revoke or terminate this Trust Agreement, in whole or in part.

25. Applicable Law. All questions pertaining to this Trust Agreement, its validity, construction and administration, shall be determined in accordance with the laws of the State of Texas.

IN WITNESS WHEREOF, this Trust Agreement is executed by the parties hereto on the date first above written.

Lady Ruth Hoover
Lady Ruth Hoover

GRANTOR

Billy Brown Hoover
Billy Brown Hoover

TRUSTEE

ACKNOWLEDGMENT

STATE OF ARKANSAS)
COUNTY OF Faulkner)

BE IT REMEMBERED, that on this day personally appeared before me, the undersigned, a Notary Public within and for the County and State aforesaid, duly commissioned and acting, Lady Ruth Hoover and Billy Brown Hoover, to me well known, and acknowledged to me that each had executed the foregoing instrument for the consideration and purposes therein set forth.

WITNESS my hand and seal this 19th day of September, 1994.

Ronda Schreckenhofer
Notary Public

My Commission Expires:

7-26-2000

BKM:rls:K12453



HOOVER CHILDREN'S TRUST II**Schedule A**

The following listed property has been assigned and conveyed to BILLY BROWN HOOVER, as TRUSTEE of the Hoover Children's Trust II dated the 19th day of September, 1994:

1. \$10.00

Received the above-described property from the Grantor on this 19th day of September, 1994.

Billy Brown Hoover
Billy Brown Hoover

TRUSTEE

BKM:rls:K12454